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THE NATIONAL ADJUSTMENT COMMISSION

The numerous boards and commissions called into being by the government for the adjustment and control of wages and conditions of labor during the war have all been abandoned. An exception might be made in the case of the Railroad Labor Board, established when the roads were returned to private operation, but this Board is quite unlike the previous boards of railroad wages and working conditions set up during government operation and is in no sense a continuation of those boards.

Of these war-time agencies, the National Adjustment Commission for the longshore industry survived longest. It was continued without change for a year after the Armistice and was then reconstituted on what was avowedly a permanent peace-time basis, only to be summarily disposed of a year later. Thus to a natural interest in the record of the Commission as a war-time agency of adjustment in an industry of such strategic importance as the loading and unloading of ships, there is added the interest which attaches to any peace-time experiment in the field of industrial relations.

Origin and organization.—The National Adjustment Commission as first constituted followed closely upon the organization of the Committee on Shipping of the Council of National Defense. In June, 1917, the Atlantic Agreement, so called, was drawn up for the determination of wages and working conditions of men employed on oceangoing vessels. Two months later the National Adjustment Commission was created in accordance with an agreement entered into by the United States Shipping Board, the Secretary of War, the Secretary of Labor, the American Federation of Labor, the International Longshoremen's Association, and the principal shipping interests of the Atlantic and Gulf coasts. Subsequently the agreement was ratified in modified form by shipping interest of the Puget Sound District and by the Lumber Carriers' Association of

the Great Lakes.¹ Shipping interests at San Francisco refused to come under the agreement because of opposition to the Longshoremen's Association.

The original agreement is a brief document providing for the appointment of the members of the National Commission, the setting up of local commissions, recognition of the union scale of wages and conditions as a basic standard, self-adjustment or adjustment by local commissions wherever possible, but with original and final jurisdiction vested in the National Commission in special circumstances, and laying down the general principle of no interruption to industry and the acceptance of decisions.

The war-time character of the agreement is indicated by the provision for membership. The National Commission was made up of four members: one nominated by the Shipping Board, one by the secretary of war, one by the International Longshoremen's Association, one by the Committee on Shipping of the Council of National Defense to represent the coastwise carriers and to act only in cases involving coastwise service, with an alternate nominated by the same committee to represent carriers engaged in foreign trade and to act only in cases involving foreign service. The Shipping Board representative served as chairman, but this is not provided in the agreement.²

Local adjustment commissions under the original agreement were to be formed in important ports. The organization of each local commission was substantially similar to the National Commis-

¹ The Puget Sound operators and stevedores agreed to reference to the National Commission in case of failure to adjust locally; the Lumber Carriers' Association of the Great Lakes subscribed to a local committee appointed under the rules of the National Adjustment Commission with the right of appeal to the latter body.

² The original membership of the National Adjustment Commission consisted of vice-chairman, Raymond B. Stevens, representing the United States Shipping Board; Mr. Walter Lippmann, representing the War Department; Messrs. P. A. S. Franklin and H. H. Raymond, representing deep-sea and coastwise shipping interests respectively; and Mr. Thomas V. O'Connor, president of the International Longshoremen's Association, representing that organization. Mr. Stevens was elected chairman of the Commission, and Mr. Louis Levy was elected secretary. Ex-Governor Robert P. Bass succeeded Mr. Stevens as chairman in December, 1917, and was in turn succeeded by Professor William Z. Ripley, in January, 1919. Mr. H. B. Ehrman succeeded Mr. Levy as secretary in November, 1918. In January, 1919, Mr. B. M. Squires was elected executive secretary and Mr. A. H. Stockder assistant secretary.

sion except that the War Department and the Shipping Board were represented jointly by one member, usually an army officer, who served as chairman by common consent. In practice nominations to membership on the local commissions were made to the National Commission. In all, twelve permanent local commissions and five special commissions were set up.¹

The agreement provided that all differences which might arise in any particular port should be adjusted by the local commission if possible and that in case either party was dissatisfied with the decision of the local commission it might appeal to the National Commission for a review. However, it rested with the National Commission to determine in what ports local commissions should be set up. Moreover, the elasticity of the agreement made it possible for the National Commission to assume original jurisdiction. Thus it was provided that "in case of expiration of any agreement as to scale of wages, hours, and conditions now in force, the National Commission shall adjust the new scale of wages, hours, and conditions provided an agreement cannot be reached by the employers and the union," and, further, that "consideration shall be given to special circumstances, if any, which may require particular advances in wages or changes in other standards."

Jurisdiction.—The jurisdiction of the National Commission and of local commissions was limited by the original agreement to controversies arising in the loading and unloading of ships. But the loading and unloading of ships is so closely associated with railroad freight-handling at water terminals that overlapping is inevitable, and in any event a wage adjustment covering one has an immediate effect on the other. Moreover, with the placing of coastwise lines under the Railroad Administration, coastwise longshoremen, though working alongside deep-sea longshoremen, were no longer under the jurisdiction of the National Adjustment Commission. The Railroad Administration persistently refused to be bound in advance by any wage increase granted by the Commission, though consenting

¹ Permanent local commissions were set up at Baltimore, Boston, Charleston, Chicago, Galveston, Honolulu, Mobile, New Orleans, Norfolk, Portland, Maine, and San Juan, Porto Rico. Special commissions were set up at Ashland, Wisconsin; Buffalo, New York; Green Bay, Wisconsin; Portland, Oregon; and the Puget Sound District.

to representation on the National Commission and, for the most part, accepting its recommendations. This made for aggravating delays, and led finally to an announcement by the Railroad Administration that in the future adjustments would be made by its own agencies, whereupon the Commission declared that all co-operative arrangements were at an end. Unfortunately, this is but one of the many instances of conflicting jurisdiction of war-time adjustment agencies which neither the War Labor Policies Board nor the Conference Committee of Labor Adjustment Agencies, whether from apathy or lack of authority or both, seemed able to avoid.

Apart from the jurisdiction conferred upon the National Adjustment Commission and its agencies by the original agreement, the Commission frequently exercised jurisdiction by the joint request of the parties to a dispute. These cases had to do for the most part with the operation of harbor craft and harbor marine equipment. Here again was debatable ground as between the Commission, the Railroad Administration, and special adjustment boards under no central jurisdiction.

Principles and awards.—In the adjustment of disputes the Commission was left largely to its own initiative, subject only to the provision in the agreement that the union scale of wages, hours, and conditions in force August 1, 1917, should be adopted as the basic standard with reference to each port. In practice the Commission, like other agencies of adjustment, was governed in part at least by what seemed most expedient, though the chairman of the Commission in his report for the period ending December 31, 1918, stated that "the principles which have governed the decision of the National Adjustment Commission have been those announced by or with the authority of the President with respect to such matters, including the principles announced by the War Labor Board and the War Labor Policies Board."¹

The Commission, like other wage boards, was influenced naturally by adjustments in other industries, particularly in industries that might be regarded as similar or competitive, and by increases in the cost of living. Broadly speaking, increases awarded by the

¹ *National Adjustment Commission, Chairman's Report for the Period Ending December 31, 1918*, "Principles of Decision," p. 9.

Commission paralleled increases to other classes of labor and were slightly in advance of increases in living costs. In the longshore industry as in most industries under the jurisdiction of an adjustment agency, the tendency was toward a standardization of wages and working conditions.

With respect to the question of unionism the Commission was in a singularly favorable position. The International Longshoremen's Association was the controlling factor in the longshore industry in most ports over which the Commission had jurisdiction and its members had enjoyed preferential employment prior to the inception of the Commission. The usual practice followed by the Commission was to pass upon basic wage rates and conditions, following which shipping interests and the union entered into an agreement embodying the award of the Commission. In a few cases, however, the Commission incorporated points of prior acceptance with its decision, and issued the whole as an award, thus giving official sanction, at least, to union preference in employment.

No provision was made for the enforcement of awards, but it was agreed that in all cases work should continue uninterruptedly pending the action of any local commission or the decision of the National Commission and that all adjustments of wages, hours, and conditions made by the National Adjustment Commission should be binding on all parties.

The early cases coming before the National Commission were chiefly appeals from decisions of local commissions and special cases in which the Commission acted by joint request of the disputants. Original jurisdiction in disputes affecting longshoremen was taken in a few instances where local commissions had not been set up or where a question of principle was involved with which the local commission was reluctant to cope.

One effect of local adjustments was a lack of uniformity in wage rates and working conditions as between the several ports. Under normal conditions this need has given no grave concern and might have been left to work itself out, but the increasing demands of the war upon the labor power of the nation gave rise to competitive bidding for labor and made desirable a comprehensive review of the

entire longshore-labor situation in relation to labor in other industries. It seemed probable, too, that it would become necessary to shift longshore labor from port to port, which in itself called for a greater uniformity in wages and conditions of employment.

An opportune time for such a review presented itself with the expiration in September, 1918, of many of the local longshore agreements and awards. The National Commission proceeded to take original jurisdiction and to establish wage scales and working conditions by districts instead of by ports. North Atlantic ports, including the Hampton Roads District, and Gulf ports, were placed on a parity with respect to wages and hours of deep-sea longshoremen. With the approval of the Railroad Administration coastwise longshoremen in North Atlantic ports were advanced to the level of deep-sea longshoremen, thus doing away with a long-established differential.

The most far-reaching decision of the Commission, embodied in the above-mentioned general award, established the eight-hour day with Saturday half-holiday, the former applicable to all North Atlantic and Gulf ports, the latter to all North Atlantic ports. The eight-hour day was held to be necessary on account of its general adoption in other industries. Moreover, shipping interests at San Francisco, who had refused to accept the jurisdiction of the Commission, had subscribed to the eight-hour day and to a wage rate considerably in excess of that established by the Commission for Atlantic ports. All Pacific ports were forced to follow the lead of San Francisco and the influence was apparent in Atlantic and Gulf ports. The Saturday half-holiday was established by the Commission in anticipation of an executive order extending the principle to all industries, though the order was not issued and the Commission was criticized severely for its action.

The signing of the Armistice shortly thereafter destroyed somewhat the argument in favor of standardization, though probably no other industry was less immediately affected by the sudden cessation of hostilities than the shipping industry. Civilian populations of Europe were in pressing need of food and other supplies for the maintenance of life and order and for rehabilitation. Vast armies required support. As against both was the demand upon shipping

for the return of demobilized forces. Any serious interruption to shipping at this time might well have implied graver consequences than during actual hostilities of war.

Under such circumstances the question of abandoning or continuing agencies of adjustment in the shipping industry did not at once arise. Serving also to postpone consideration of the question as touching upon the National Adjustment Commission was the fact that, for the most part, awards effective at the time of the Armistice were not dated to expire until late the following year.

It might be expected that during the effective period of the awards the Commission would be concerned chiefly with questions of interpretation and administration. A few cases, however, that had not been settled in the general adjustment preceding the Armistice came before the Commission early in 1919. Of these, the most important had to do with coastwise longshoremen in Gulf ports and in the Hampton Roads District. In the former case an award was made effective until June 30, 1919, and to continue thereafter unless revision was requested. In the Hampton Roads District a reduction in day wages was made from sixty-five to fifty cents per hour on the ground that coastwise shipping interests would be forced to discontinue operation at these ports unless the wage charge was lowered. Both awards were approved by the Railroad Administration.

The awards above mentioned, with several others supplementary to or in interpretation of the general award of 1918, were upon original jurisdiction of the National Commission. Local commissions in fact were never fully reorganized following an order by the secretary of war, in June, 1918, withdrawing all army officers serving as chairmen of local commissions. The general adjustment for all ports by the National Commission tended no doubt to lessen the apparent need of local agencies of adjustment. At any rate few of the local commissions were functioning at the time of the Armistice, and increasing difficulty was experienced in finding men willing to serve as chairmen who were acceptable to both sides.

The early history of the Commission would not be complete without mention of another phase of activity. In keeping with other adjustment agencies the Commission was constantly in need

of information, in addition to that presented in the course of a hearing on specific demands, on which to base wage adjustments, and proceeded to develop an organization of its own for the purpose of gathering such information. This is indeed one of the weaknesses of our administrative machinery, wasteful at all times, but tremendously so during the war, that instead of centralizing statistical work in one bureau or department, each department of the government, and during the war each adjustment agency, organized its own statistical bureau and duplicated, in many respects at least, the work of other bureaus. This work of the Commission was in time centralized in the Marine and Dock Industrial Relations Division of the Shipping Board, though until the close of 1918 there was no clear line of demarcation between that Division and the Commission.¹

Steps toward reorganization.—Although the original agreement constituting the Commission did not provide for its termination, it contained provisions for the appointment of members to the Commission by purely war-time agencies, thus clearly implying a war-time period of effectiveness. Three factors may be mentioned as serving to make possible the reorganization of the National Adjustment Commission on a peace-time basis. First and most significant, both as determining the composition of the Commission and as affording a means of initiating and pressing the proposal to reconstitute it, was the dominating interest of the Shipping Board as an owner and operator of vessels. The Shipping Board is the largest vessel-owner in the world. The total tonnage controlled, including ships operated directly, on account, or subject to charter provisions prescribed by the Shipping Board, exceeds the combined tonnage of all privately owned ships in the United States. The alternative was faced by private interests, therefore, of accepting, or at least being influenced by, adjustments arrived at between the Shipping Board and labor, or of joining in an agreement providing adjustment

¹ The Marine and Dock Industrial Relations Division was constituted in October, 1918, with the chairman of the National Adjustment Commission as director of the Division. Following the Armistice it seemed desirable to separate the Commission from the Division of Industrial Relations. The main office of the former was moved to New York, and with one exception, to be noted later, the functions of the Commission thereafter were purely judicial and mediatory.

machinery and having a voice in the determination of wages and working conditions. But what is more important, the Shipping Board was in a position to propose to both sides that a permanent adjustment agency be set up, and could urge the proposal, whereas for either private shipping interests or employees thus to importune would have given rise to a suspicion of weakness.

The second factor making for the acceptance of the proposal to reconstitute the National Adjustment Commission was the unquestioned success of the Commission as a war-time agency. No serious interruption to shipping occurred during the war, but although this record might properly be attributed to the efforts of the Commission, it constitutes by no means a measure of its success. All strikes were frowned upon during the war and were regarded as a violation of labor's pledge to the government. No wage consideration would have been permitted to interfere with shipping, and the success of the Commission is to be measured by its ability to keep labor satisfied with wage increases which in the main were but proportionate to increases in the cost of living and to wage adjustments in other industries.

The character of men on the Commission, and particularly of those serving as chairmen, was responsible in large measure for the success of the Commission and helped to give the Commission more than a war-time hold on the shipping industry. This is of especial significance when it is considered that labor had only one representative among four members. Under such circumstances only a reputation for fairness would have convinced labor that its interests were properly safeguarded. Men with narrower vision and a less sympathetic or conciliatory attitude toward labor might easily have precipitated a strike though quite as liberal in their awards.

The third factor, inseparable from the second, but which had a marked influence on private shipping interests, is the reputation of the leaders of the longshoremen for fair-mindedness and for standing by agreements. It is conceivable that a war-time emergency might have made for collective agreements in order to avoid interruption to shipping, but the renewal of such agreements would scarcely have been favored by shipping companies if union officials had taken

advantage of a strategic position during the war to force adjustments arbitrarily.

As in the original agreement, the Shipping Board took the initial step. Two resolutions were passed calling a conference of various shipping interests and employees. In accordance with these resolutions, a joint shipping-industrial conference was called at Washington, D.C., June 4, 1919. In attendance were some two hundred representatives of associations of employers and employees engaged in harbor and ocean-marine transportation, and government departments interested either directly or indirectly. Pacific Coast shipping interests declined to participate in the conference.

The conference resolved itself into three sections—a marine section, a harbor section, and a longshore section. The marine section deadlocked on the question of union preference in employment. The harbor section went as far as to recommend the establishment in important ports of local arbitration boards made up of equal representatives of employers and employees, but without government participation. The longshore section, however, approved a tentative agreement to govern industrial relations in the longshore industry and voted to submit it to the various interests for approval.

The International Longshoremen's Association submitted the proposed agreement to each of its locals, directing them to instruct delegates to a forthcoming convention how to vote on the question. Associations of steamship interests and contracting stevedores submitted the proposal to their membership. The Trans-Atlantic Associated Freight Conferences, comprising the principal transatlantic lines and contracting stevedores of the port of Greater New York and vicinity, adopted the agreement in principle leaving the details to be worked out by its standing committee. The International Longshoremen's Association in convention without a dissenting vote authorized a committee to negotiate an agreement.

Committees of the Trans-Atlantic Associated Freight Conferences and the International Longshoremen's Association met and with some few changes adopted the agreement first approved at the Washington conference. The amended agreement was resubmitted

to and ratified by associations of deep-sea steamship interests of the Atlantic and Gulf ports, the Executive Council of the International Longshoremen's Association, and the United States Shipping Board. Coastwise steamship interests did not subscribe to the agreement. This was due partly to the continued control over some of the lines by the Railroad Administration and the unwillingness of other lines to enter into a contract that did not bind all lines.

The new agreement.—The new agreement provided for a National Adjustment Commission made up of five active members, of which the chairman was to be chosen by the Shipping Board, two members by the International Longshoremen's Association, and two by shipping interests signatory to the agreement. The Departments of War, Navy, Labor, and Commerce, and the Railroad Administration were given the privilege of naming advisory members. Employer and employee representation on the Commission was by a system of alternates, two employers and two employees being chosen to represent each of nine districts and to serve only when questions concerning a particular district arose. It was provided, however, that nothing would prevent the same person being named to serve different districts. The neutral chairman was to be the same for all districts.

Exclusive of advisory members, there were thus eighteen representatives each of employers and employees and one of the Shipping Board on the Commission, though for adjustment purposes only five were to serve at one time. All members, including advisory, might meet as occasion required as a General Dock Council. When meeting in that capacity, however, they had no powers other than advisory and recommendatory.

As in the original agreement, emphasis was placed on local adjustment. The National Commission had original jurisdiction only in the absence of a local agency, with the joint consent of the parties, or in cases where the question at issue involved two or more ports. In the event of failure of a local commission to adjust, or on appeal from the decision of a local commission, the case went directly to the National Commission, whose decision was final.

Administrative functions of the Commission were vested in an executive secretary appointed by the Commission. Like the

neutral chairman, the executive secretary remained the same for all districts. Administrative expenses were to be paid by the Shipping Board, but employer and employee members of the National Commission or of local commissions served without salary and their traveling and other expenses were borne by the respective interests which they represented.

No power was given to enforce the awards of the Commission, but the agreement provided that

no stoppage or lockout of any kind whatever shall take place until the difference or dispute shall have been referred and dealt with according to this agreement or rules which may be established under it. The several parties to this agreement obligate themselves to give effectiveness to the recommendations of the National Adjustment Commission or its agencies and to take such steps as may be necessary to assure the carrying out of this agreement by individual members of the associations signatory thereto.

The agreement was effective for one year, though it might be amended by the affirmative vote of a majority of each of the respective interests. After the expiration of one year the agreement was to continue except that any party thereto might withdraw sixty days after written notice of such intention to withdraw had been filed with the secretary, but such withdrawal was not to terminate the agreement with respect to the remaining parties so long as the parties comprised employer groups, employee groups, and the government.

The new machinery differed from the old in two important respects. First, it was avowedly more democratic. The fundamental principle was local autonomy, both sides having the opportunity of self-adjustment, of referring their differences to a local commission, and finally of appealing, or by joint consent going directly, to a superior tribunal, the National Commission, on which each side had equal representation. An added feature emphasizing the amenability of the plan to the industry was the provision for an industrial parliament, the General Dock Council, whose deliberations had to be referred to the constituents for approval or disapproval.

Second, the new organization was decentralized as contrasted with a highly centralized organization under the old plan. As first

constituted, under war-time conditions, four men represented deep-sea shipping interests, longshoremen, and the government for all ports and all cases coming before the National Commission, and, as indicated previously, it rested with the National Commission to decide whether an emergency situation demanded original jurisdiction rather than reference to a local commission. By substituting two coastwise representatives for two deep-sea representatives, the Commission had jurisdiction over all coastwise matters, subject later to approval by the Railroad Administration.

The new arrangement contemplated in effect nine national adjustment commissions, each supreme in its own district and having no authority over other districts. Moreover, the National Commission for any district was obliged to await appeal from decisions of local commissions or the joint consent of the disputants before jurisdiction could be taken. There were two ways, however, of increasing this somewhat limited power of the National Commission. It rested with the National Commission to determine in which ports it was necessary or advisable to establish local commissions, and where no local agency of adjustment had been set up the National Commission was empowered to exercise original jurisdiction. It was provided, too, that where questions involved were of common interest to two or more ports, the National Commission could act without reference to local commissions. Inasmuch as the interpretation of the agreement rested with the National Commission, this latter provision might conceivably have been construed to govern in any consideration of uniform demands.

*Organization and work of the new commission.*¹—The National Adjustment Commission was formally reconstituted for the North

¹ The complete personnel of the National Adjustment Commission as reorganized was as follows: chairman, Professor William Z. Ripley; executive secretary, B. M. Squires; assistant secretary, A. H. Stockder; advisory members: War Department, Brigadier General Frank T. Hines; Department of Commerce, Inspector-General George C. Uhler; Department of Labor, B. M. Squires; employer members: North Atlantic Deep-Sea District, F. Toppin and Oakley Wood; Gulf Deep-Sea District, H. G. Strachan and J. M. Whitsitt; North Atlantic Coastwise, E. A. Kelly and E. R. Richardson; employee representatives: North Atlantic Deep-Sea District, T. V. O'Connor and Joseph P. Ryan; Gulf Deep-Sea District, J. H. Fricke and A. J. Chlopek; South Atlantic Deep-Sea District, J. J. Fricke and J. A. McCann; North Atlantic Coastwise District, T. V. O'Connor and Joseph P. Ryan.

Atlantic Deep-Sea District, September 26, 1919, and on the same date began hearings on demands of deep-sea longshoremen at the several ports in the district. The demands had been presented previously to employing interests, but after several conferences it was agreed by both sides to waive reference to local commissions and submit the case directly to the National Commission. Shortly thereafter identical demands were made by coastwise and deep-sea longshoremen and affiliated craft in all Atlantic and Gulf ports, in most of which existing agreements and awards were due to expire September 30.

Thus before the Commission was fully reconstituted for all districts, it was faced with the prospect of having to hear evidence and determine wages and working conditions for the various classes of longshore labor (aggregating twelve at the port of New York) for some twenty ports, each of which wanted a separate hearing. Possibly, if the new agreement had been longer in effect, with local commissions reorganized and in readiness to act, the procedure would have been different, but without such local commissions and with but a few days intervening before the new demands were effective, the general disposition was to insist on having the case heard by the National Commission.

The first defect in the machinery became apparent early in the hearing when the chairman of the Commission was notified by the Shipping Board that in view of the then high level of longshore wages, the attitude of the President to advances in railroad wages, and the approaching international labor conference the Board was opposed to any general advance in longshore wages. The question arose immediately whether the chairman of the Commission, having been named by the Shipping Board, was a representative of the Board and as such amenable to instructions. This was not a new issue. It had been raised by representatives of the longshoremen when the question of ratifying the new agreement was under consideration. Obviously the Shipping Board as owner and operator of ships had interests identical in many respects with the interests of private operators, and if the chairman of the Commission was to be responsible to the Shipping Board the whole arrangement would have been open to the charge that labor did not have an equal

voice with employing interests. Representatives of longshoremen on the Commission announced that if the chairman considered himself bound by the attitude of the Shipping Board they were unwilling to proceed with the hearing. The chairman of the Commission announced publicly, however, that he could not regard the notice from the Shipping Board in the light of instructions which he was bound to follow and that his decision would not be affected thereby.

After exhaustive hearings and a delay due to a strike of brief duration, an award was issued to deep-sea longshoremen in North Atlantic ports, increasing the previous day rate by five cents, and the overtime rate by ten cents, per hour. Representatives of the longshoremen on the Commission dissented from the majority opinion. In announcing the award the chairman quoted from the President's proclamation in which it was requested that a truce be declared in wage contests until the government had been given an opportunity to carry out its program for the reduction of prices. Attention was also directed to repeated charges made by shipping interests that efficiency had gone down as wages had gone up. Promise was given that the case would be reopened in sixty days on the Commission's own motion if prices had not declined substantially by that time or if the men showed improvement in performance.

An unauthorized strike followed at the port of New York, completely paralyzing shipping for a period of several weeks. The strike was aggravated, if not inspired, by factional differences within the union, and intense bitterness resulted. Every effort was made by union officials to bring about resumption of work in compliance with the agreement, but a large part of the rank and file turned for the time to new leadership. The press was unanimous in condemning the strike. The War Department and the Shipping Board announced their intention to move the ships directly under their control. The secretary of labor called upon the men to observe their agreement, but yielded at the same time to the urgings of the mayor of New York City and appointed a mediation commission whose first act was to suggest a compromise settlement. Control was finally regained by union officials, but not until enormous loss

was occasioned. In the meantime the award was accepted at other North Atlantic ports without interruption to shipping.

Prior to the strike the Commission had taken evidence affecting other classes of longshore labor. The question arose whether any further awards should be made during the strike, but in view of the fact that the strike was unofficial and that other crafts were simply forced out of work by the strike, the Commission departed from established practice and not only issued awards on completed evidence, but heard other cases without waiting until the men returned to work. For the most part the awards granted increases proportionate to the increase awarded deep-sea longshoremen and with the same provision for later review. Some few awards were made for a year with a higher wage increase. In the case of the coastwise longshoremen, employing interests, though not subscribing to the agreement, offered to arbitrate the specific demands presented for North Atlantic ports. Conclusive evidence was presented showing that coastwise lines were operating at a loss, and the Commission announced that a wage increase was impossible until the lines received an increase in freight rates.

The awards for North Atlantic ports and the strike of the longshoremen at New York were not without effect in other ports. South Atlantic ports had never paid as high wages as North Atlantic ports and were least concerned, though identical demands were presented. Gulf ports, however, had paid at times a higher wage rate to deep-sea longshoremen than North Atlantic ports and during the previous year had been on a parity with them. Not all shipping interests at New York were convinced that the wage awarded was adequate, though they insisted on its observance. It was felt generally that there would be no substantial reduction in prices within the time specified in the award and that a further increase would be granted on review.

Gulf steamship interests naturally wished to avoid the experience of New York, and in the hearing before the Gulf Deep-Sea Commission, begun while the strike was in progress in New York, the anomalous situation developed of an apparent willingness to pay more than the New York award to avoid a possible strike—probably no more than it was thought would be granted in the

promised readjustment if prices did not decline, while at the same time it was clear that such increases would lend encouragement to the strike and discredit the Commission for the North Atlantic Deep-Sea District.

Herein was manifested the most serious defect in the new machinery, namely, the independence of each commission in its own district in the face of an unavoidable interdependence of shipping interests and labor. Only the persuasiveness of the neutral chairman, coupled with a complete solidarity of shipping interests or of longshoremen, could avoid competitive bidding in wage adjustments as between the several districts. In any event the feeling was certain to develop that the award in any one district would serve as a precedent for other districts and that subsequent hearings would be more or less perfunctory. Fortunately both shipping interests and the officials of the International Longshoremen's Association realized the danger and the result was a postponement of the Gulf award and a hastening of the rehearing for North Atlantic ports. A further increase of ten cents per hour, effective December 1, 1919, was awarded for the latter, and an increase of fifteen cents per hour, effective October 1, 1919, was awarded to deep-sea longshoremen in Gulf ports.

One criticism, not without merit, was current—that if the original award for North Atlantic ports had granted an increase of ten cents per hour—five cents more than was first granted and five cents less than the readjustment—a strike, costing enough to have granted the full demands of the longshoremen (one dollar per hour) for a period of several years, would have been avoided and a saving of five cents per hour effected for all ports. This, of course, begs the whole question of the inviolability of agreements and places arbitration on the level of expediency. But is it possible to overlook the question of expediency? Or, to put it concretely, did this award rest on a sounder basis, and if so, what was the underlying principle? To have hewn to the line of the President's proclamation, avowedly the determining influence in the first award, would have meant no increase. A strike would have followed—this was generally admitted. The award was a compromise, an expedient, in other words, from which developed a

situation that made further compromise necessary to avoid inconsistency.

The strike was not without salutary effect, whatever the money cost. It increased public respect for union officials, who, in the face of great obstacles, insisted that the agreement be carried out, and it brought into the open those who were opposing the policies and leadership of the organization. The failure of the strike served naturally to weaken those who led it, and those of the rank and file who had broken away from or been forced out of the organization made haste to renew their affiliation.

As against the good effects of the strike must be weighed at least two ill effects. Unfortunately the feeling prevailed, not without reason, that the New York strike served to determine the Gulf award and to influence greatly the readjustment for North Atlantic ports. Thus, while the longshoremen were forced for a time to realize that agreements may not be violated without severe public condemnation, particularly where violation results in public inconvenience, it is to be doubted whether they appreciated the line of reasoning by which the Commission awarded a further increase of ten cents per hour following the strike or attributed the increase to forces other than their own economic strength.

The other bad effect of the strike was its reaction on the Shipping Board. Opposed at first to any increase, the Shipping Board accepted reluctantly the first increase of five cents per hour and when the strike occurred was satisfied that an increase of that amount could not well have been avoided. But when the Gulf Commission proposed an increase, not of five cents but of fifteen cents per hour, and it was realized that a further increase would be necessary at North Atlantic ports for the sake of consistency, the Shipping Board voiced a pronounced objection to the whole arrangement. This was the first strong note of opposition to the agreement on the part of the Shipping Board, an opposition that led finally to withdrawal by the Shipping Board and the dissolution of the Commission.

Local adjustment commissions.—As explained previously, the machinery provided in the new agreement was not fully organized in time to deal with the new demands in the manner contemplated

by the agreement. This was particularly true of the provision for local adjustment, none of the local commissions being constituted when the demands were presented.

Although thus forced to assume original jurisdiction, the National Commission declined generally to pass upon matters of purely local interest. The North Atlantic Deep-Sea Commission issued awards to longshoremen and shipping interests at the port of New York, but announced that the awards were applicable only in basic wage rates and conditions to other North Atlantic ports, in each of which the parties were requested to pass upon questions peculiar to the port, or, that failing to agree, a local commission would be set up. Subsequently local commissions were organized at Boston, Baltimore, and the Hampton Roads District, and, after all matters in controversy were disposed of, the final agreements were issued by the National Commission in the form of awards applicable to the particular port in question.

The Gulf Deep-Sea Commission issued awards touching only points of general applicability, after which the parties negotiated agreements embodying the provisions in the awards. Local commissions were later set up at New Orleans and Galveston.

In the South Atlantic ports the procedure was somewhat different. The same demands were presented on behalf of deep-sea longshoremen as in North Atlantic and Gulf ports, but deep-sea shipping interests were insistent that the demands be considered first by local commissions. A local commission was constituted for the port of Savannah and an award was issued, but appeal was immediately taken by the longshoremen. The case was reviewed by the National Commission, constituted for the South Atlantic Deep-Sea District, and a slight increase granted over the award of the local commission. Other South Atlantic ports accepted reluctantly and but partially the wages and conditions finally determined for Savannah.

The coastwise situation.—The final adjustment of wages of deep-sea longshoremen increased the differential between coastwise and deep-sea men. Before the war the basic rate of deep-sea longshoremen was from 10 to 20 per cent higher than the coastwise rate. Just before the Armistice, as stated previously, rates were made uniform

for all longshoremen in North Atlantic ports. The final award of the new Commission gave deep-sea men approximately 25 per cent more than the rate for the previous year. Coastwise longshoremen protested vigorously that they were as much entitled to an increase as the deep-sea longshoremen, and a strike was threatened. The Commission, which had been given only a limited jurisdiction in coastwise matters, had declared against a wage increase, but in an effort to avert a strike a general conference of coastwise interests was called early in December, 1919. Coastwise shipping interests, including the Railroad Administration, submitted statements showing enormous operating losses and refused to resubmit the case, though expressing a willingness to consider a wage increase whenever a rate increase was possible. At that time it appeared that a rate increase to railroads would be granted upon the return of the roads to private operation. Until such an increase was granted the Commission felt that coastwise lines, competing with rail lines, could not increase rates and expect to attract traffic.

Coastwise longshoremen were persuaded to defer strike action for the time. The Esch-Cummins Act, releasing the railroads from federal control, did not make provision, however, for an immediate rate increase, but, instead, guaranteed a percentage return for a period of six months without extending the guaranty to coastwise steamship lines. Further conferences were held with the Commission, but coastwise interests persisted in their refusal to resubmit the case. The chairman of the Commission addressed an open letter to coastwise longshoremen, explaining that the Commission was without jurisdiction, and that even if the case were submitted he could not vote for a wage increase that would still further increase operating losses and perhaps make for suspension of service. The national officials of the International Longshoremen's Association urged the men to continue work, but several coastwise locals called strikes, and shortly after March 1, 1920, when all coastwise lines were again under private control, coastwise longshoremen quit work in practically all Atlantic and Gulf ports.

The strike came at a time when perishable foodstuffs from the South were on the market and led immediately to protests and

appeals from chambers of commerce and merchants' associations. The coastwise lines announced their intention to operate with men willing to work, whether union or non-union. Then the teamsters at New York refused to remove freight unloaded by non-union longshoremen. An attempt to end the strike was made by the Department of Justice. Conferences were held with representatives of both sides and a mediation committee appointed, which in turn held conferences with all interests and finally requested the men to return to work. The question was submitted to the locals, but the men voted to stay out.

Coastwise interests and merchants now made a determined effort to break the strike at New York. The support of the teamsters was admitted to be the main obstacle. A committee of merchants and manufacturers organized an independent trucking system. Complaints began to be filed with the Commission that deep-sea longshoremen were refusing to handle goods consigned from coastwise lines or delivered by non-union truckmen. It seemed altogether probable that railway freight-handlers would take similar action. At this juncture, however, Judge Fawcett of the Supreme Court of the state of New York handed down a decision in effect that under the shipping act public carriers could not refuse to accept goods delivered by non-union men and the unions could not strike to force such refusal. This strengthened the case of the coastwise shipping companies and encouraged the merchants and manufacturers in their efforts to carry on independent trucking. Shortly thereafter the Interstate Commerce Commission announced a rate increase to railroads applicable to coastwise lines. The wages of coastwise longshoremen were increased seven cents per hour and the men who were still on strike returned to work.

The coastwise strike should not have been charged against the Commission, since coastwise shipping interests were not parties to the agreement. However, the agreement of some of the lines to abide by the decision of the Commission on the demands of the coastwise longshoremen at North Atlantic ports and the acceptance of the decision by the Railroad Administration as soon as it became apparent that no increase would be granted, together with the fact that coastwise longshoremen were members of the same organization as deep-sea longshoremen and represented by the same officials,

made for the feeling that the Commission had unlimited jurisdiction. The failure of the Commission to intervene arbitrarily when the coastwise strike occurred, even though coastwise shipping interests refused to accept intervention by the Commission, was regarded by many, including the Shipping Board, as further evidence that the agreement was of doubtful value and should be abandoned as speedily as possible.

Investigation of longshore-labor conditions.—The functions of the National Adjustment Commission and of local commissions as set forth in the original and in the revised agreements were largely judicial and mediatory. The revised agreement provided, however, that the General Dock Council might consider such questions, among others, as the standardizing of working conditions, the regularizing of employment and the recommendation to the government of the needs of the industry. As a matter of fact, the General Dock Council never met in an official capacity, but the provision was made use of to press a request for an investigation into longshore-labor conditions. The need for such an investigation had long been apparent. Each hearing before the Commission had developed conflicting statements as to the earnings of longshoremen. Information appeared wholly lacking on which to base even a fair approximation of individual earnings or the number of longshoremen earning specified amounts.

As soon as it seemed likely that the war-time agreement would be renewed on a peace-time basis, the Commission requested the Shipping Board to appropriate money for an investigation, but the request was denied. After the Commission was reconstituted the request was repeated. Coming in the face of Shipping Board opposition to wage increases—an opposition resting largely on the belief that longshoremen were overpaid—the request met with favorable reception and the Commission was authorized to proceed with an investigation into longshore employment, earnings, and output at the port of New York.

Details of the investigation must be omitted. The investigation is significant chiefly because it represented a conscious effort to go beyond wage rates and to discover means whereby the industry could be put on a sounder economic footing. In authorizing the

investigation the Shipping Board requested the Commission to make such recommendations as the results of the investigation might seem to justify. Before the investigation was completed, however, the Shipping Board announced its intention to withdraw from the agreement, requested the Commission to wind up its affairs as rapidly and quietly as possible and not to discuss the results of the investigation with shipping interests or longshoremen. The last official act of the Commission was to transmit to the Shipping Board the report of the investigation together with the recommendation that a system of registration of longshoremen be introduced as a basis for determining individual earnings with accuracy, the amount of shifting of longshore labor, and the expediency of introducing a clearing-house arrangement for allocating longshore labor and regularizing employment. This recommendation was not adopted by the Shipping Board.

The dissolution of the Commission.—Reference has been made previously to the provision in the agreement reconstituting the Commission for the withdrawal of any party thereto at the expiration of one year or any time thereafter by giving sixty days' notice, and the further provision that such withdrawal would not terminate the agreement so long as the remaining parties comprised employer groups, employee groups, and the government. This was thought to give greater stability to the agreement. It was not contemplated that the Shipping Board might withdraw and, being the only government signatory, thus terminate the agreement irrespective of the wishes of the employer and employee groups. In fact, the Shipping Board was counted on to give effectiveness and permanence to the new agreement. What was not foreseen was that the Shipping Board personnel might change and with it the labor policy of the Board.

Before the agreement was ratified the chairmanship of the Shipping Board changed and a new director of industrial relations was appointed. Some hesitancy was expressed over ratifying the agreement, but the longshore-wage demands were pending, shipping interests and longshoremen were proceeding on the assumption that the demands would be arbitrated, and the Shipping Board was committed too deeply to the plan to withdraw support at that time.

Shipping Board opposition to wage increases was announced a few days after the agreement was ratified. When the chairman of the Commission, as noted above, held that he could not regard the opposition as amounting to instructions, the Shipping Board asked for an amendment to the agreement so as to provide for direct representation of the Division of Operations and, if necessary, for an additional representative of labor to preserve the balance. Private shipping interests accepted the proposal on the condition that the chairman of the Commission be selected by the representatives of the two sides or by some agency other than the Shipping Board. This was not agreed to by the Shipping Board and no further action was taken on the proposed amendment. A more pronounced opposition to wage increases was made by the Shipping Board in connection with the Gulf award and the readjustment for North Atlantic ports.

The opposition to wage increases was in line with the general policy of retrenchment and was not unexpected. But the apparent unwillingness of the Shipping Board to rest its case with the Commission was a complete change in attitude and raised the troublesome issue of government labor policy and what determined it. The attitude of private shipping interests and longshoremen at this time emphasized forcibly that when the government comes into competition with private industry and attempts to dictate terms, the rôle of neutrality is exceedingly difficult.

The issue was kept constantly in the foreground. First came the announcement that the Macy award for shipyards would be continued in full force and effect in spite of increases in private industry. This touched upon the jurisdiction of the Commission at one point. The rate for carpenters on ship repair work under the Macy award was eighty cents per hour; in private industry, \$1.25. The Commission awarded ninety cents to men doing certain fitting and repair work while the vessel was in port. The Shipping Board refused at first to approve bills for repair in which the rate was higher than eighty cents, but later agreed that the award of the Commission should govern except when the vessel went into dry dock. A few months after the general award of the Commission to deep-sea longshoremen, the Shipping Board let contracts in two

southern ports for stevedoring work to contractors employing non-union men and paying less than the award. The Shipping Board took the position that its contracts were let to the lowest bidder and it was not obligated under the agreement to inquire whether the bidder was observing the award or not. This position was defended in spite of vigorous protests from shipping interests observing the award, longshoremen, and the Commission. Union longshoremen refused to handle cargo or to complete the loading or unloading of ships in cases where the award had not been complied with, and on at least one occasion the threat was made to tie up all Shipping-Board ships if the Board did not observe the agreement. Fortunately there were only a few contractors not under the agreement, so there was little opportunity for the issue to be raised.

One other occasion may be mentioned as indicating the intention of the Shipping Board to shape its own labor policy. San Francisco shipping interests did not subscribe to the original or revised agreement, though wages were kept considerably in advance of rates for Atlantic ports. Following the Commission's award of eighty cents, shipping interests at San Francisco made a voluntary increase of 10 per cent over their basic rate of ninety cents. This was approved by representatives of the Shipping Board at that port, but opposed by the Shipping Board when the increase came to its attention. However, the Board was placed in the embarrassing position of repudiating its agents, or approving an increase in one port and opposing it in other ports, or running a risk of having ships idle because of inability to get work done at a lower rate. For a time, at least, the Shipping Board was forced to approve the increase.

By this time the Shipping Board was showing opposition not only to adjustments by arbitration, but to adjustments by agreement, and intended, apparently, to reserve to itself the right to declare what wages and conditions would be accepted in approving accounts. The most formidable obstacle in this program was the agreement to which the Shipping Board was committed. In the meantime a new chairman of the Shipping Board was appointed and steps were taken immediately to withdraw from the agreement at the expiration of the one-year period.

Before announcing finally that such action would be taken, the Shipping Board called a conference in July, 1920, of private shipping interests, longshoremen, and interested government departments. Private shipping interests at New Orleans, Mobile, and Savannah stated their wish to withdraw from the agreement and accordingly approved the action contemplated by the Shipping Board. Shipping interests at other Atlantic and Gulf ports, representing a volume of business approximately eight times that of the three ports named above, insisted strongly that the agreement should be continued and pointed out the chaos that would result ultimately if the machinery of adjustment were abandoned. Officials of the International Longshoremen's Association expressed a willingness to continue the agreement and to use every means to compel observance by members of the Association. Representatives of the secretaries of war, commerce, and labor urged, in effect, that no action be taken by the Shipping Board that would tend to break down existing machinery for the orderly adjustment of controversial issues in the industry or to withdraw the moral influence of government participation in and approval of such means of adjustment.

About two weeks after the conference, the Shipping Board, consisting of the chairman and one other member—there being five vacancies on the Board—passed a resolution of withdrawal and gave the required notice.

It was understood clearly by private shipping interests that no other agreement could be effective without Shipping Board sanction since the Shipping Board could decline to accept the terms of such agreement as a basis of charges in the operation of Shipping Board vessels, comprising approximately 60 per cent of deep-water American tonnage, and thereby force private shipping interests to abandon the operation of Shipping Board vessels.

Prior to the notice of withdrawal, however, the Shipping Board stated, in answer to protests of other government departments—particularly of the Department of Labor—that it had “no intention of leaving the longshore industry without machinery adequate to deal with situations arising in the future,” but that “in the interests of uniformity” it sought “to apply to the longshore department

the same practice which has proved so successful in its other marine departments." That practice, as has been noted, had amounted to a declaration by the Shipping Board that wage increases would not be approved. Little machinery was necessary for negotiations on that basis.

The Shipping Board maintained, moreover, that the National Adjustment Commission was established as a war-time measure (apparently overlooking the circumstances of its reorganization a year after the Armistice on what was declared by the Shipping Board, as then constituted, to be a permanent peace-time basis) and that, while serving the purpose for which it was originally created, it was now "performing no function that cannot be obtained by direct negotiation." The main contention of the Shipping Board, however, was that it should be free to carry out its own labor policy.

It is the further definite policy of the Shipping Board to put itself into a position to deal most effectively with the important labor questions arising in its various operating departments. To do this it feels that its hands cannot be tied. It is moreover unable to see wherein any super-wisdom is brought to the consideration of labor matters through the maintenance of a Commission composed of two partisans of each side who usually reach a deadlock, making it necessary for the neutral chairman to actually make the decision. It feels further that this method of procedure is bound to result almost inevitably in a compromise and usually a compromise upwards.

It is not clear that the restriction complained of would be removed by "machinery for dealing with the situation by negotiation," for negotiation sometimes results in compromise, but

notice has been served upon the Shipping Board by the International Longshoremen's Association that it intends to ask for a dollar per hour. The Shipping Board maintains that it would be in a very much better position to meet the situation arising if prepared to deal directly with the matter rather than to put such consideration of longshore affairs out of its hands and in the hands of a Commission which from the nature of its organization is almost sure to make a compromise award.

In this fashion the last of the war-time agencies, and the only agency reorganized on a peace-time basis, was abandoned. It is too early to test concretely the wisdom of the action. A new wage agreement was negotiated without an increase in wages and

approved by the Shipping Board. In fact, the Shipping Board announced at the beginning of negotiations that it would not approve an increase. What will happen when the present agreement expires in September of this year remains to be seen. Indications are that employing interests will demand a reduction. The longshoremen will resist it. What is most to be deplored is that the Commission was in a position to work out a constructive program of regularization of employment which would have made for lower costs without reducing earnings, a program which the industry will be slow to carry out on its own initiative and which the Shipping Board did not see fit to approve.

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